

IS BRIDGE DEAD!

THE FUTURE OF PRIVATE LENDING



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AGENDA

- Bridge and Rental Data Trends 2021
- Trends to Watch
- Q&A





LIGHTNING
DOCS™

DATA SOURCING LIGHTNING DOCS

- Now Integrated With Mortgage Automators and The Mortgage Office... more to come
- Over \$5.4 Billion in Loans Analyzed For 2021
- 50 state fully automated loan document solution for bridge, DSCR, ground up, etc.

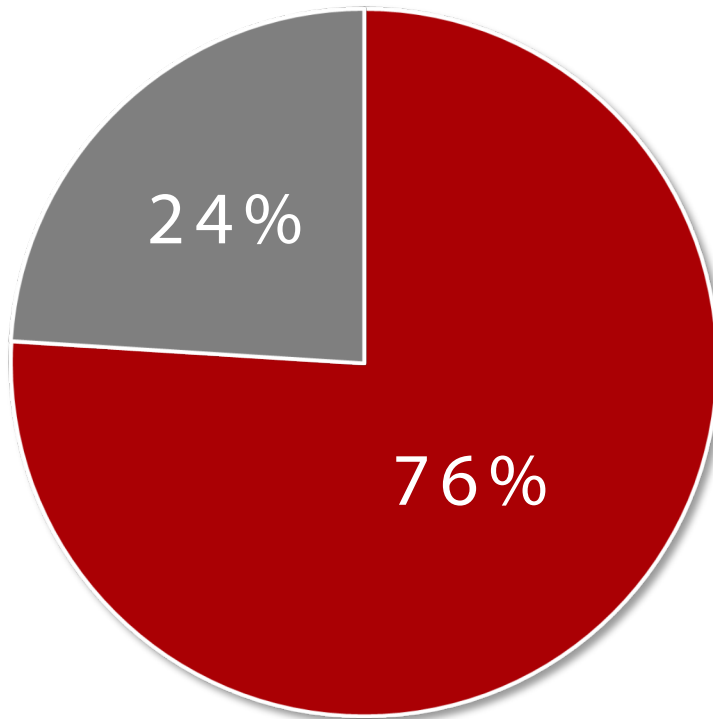
DATA TRENDS

	2020	2021	Q1	Q2	Q3
Bridge Interest Rate	10.54%	9.55% -99 bps 9.3% YOY	9.94%	9.61%	9.45%
Term Rental Interest Rate	6.30%	4.87% -143 bps 22.7% YOY	5.47%	4.96%	4.65%

DATA TRENDS

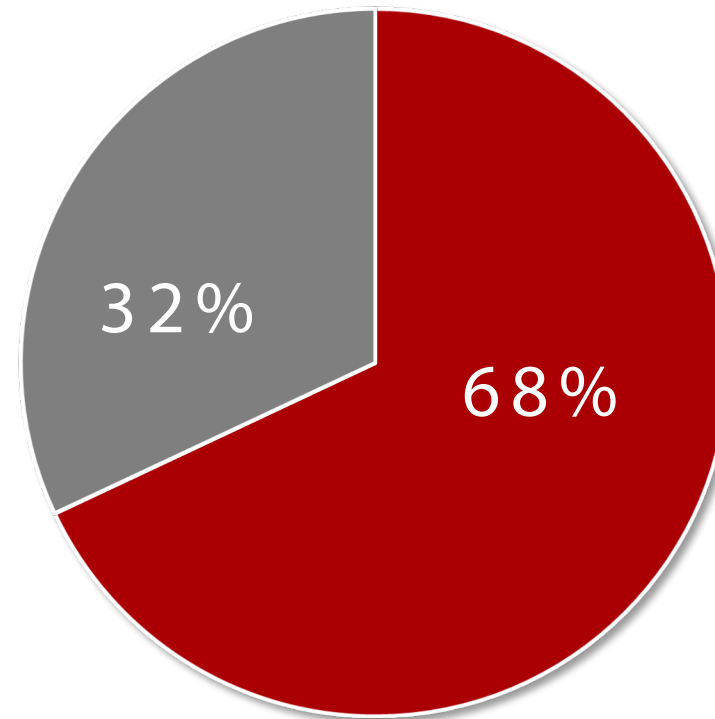
2020

■ Bridge ■ Term

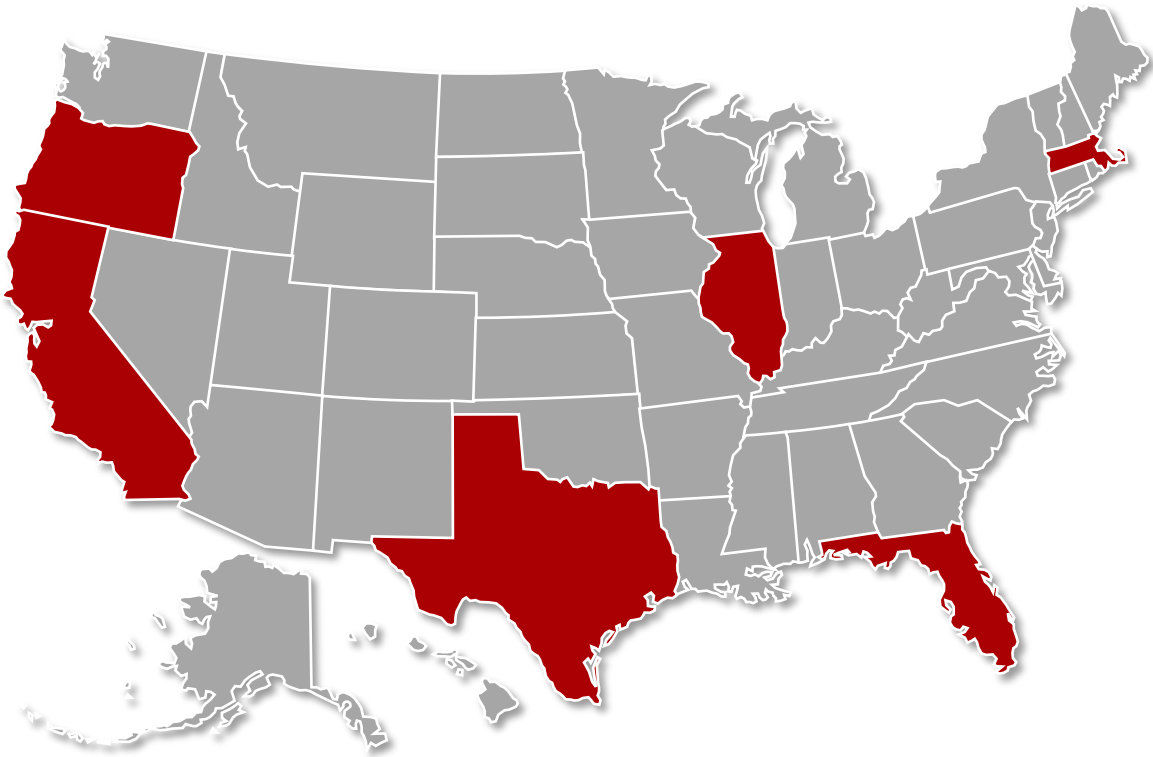


2021

■ Bridge ■ Term

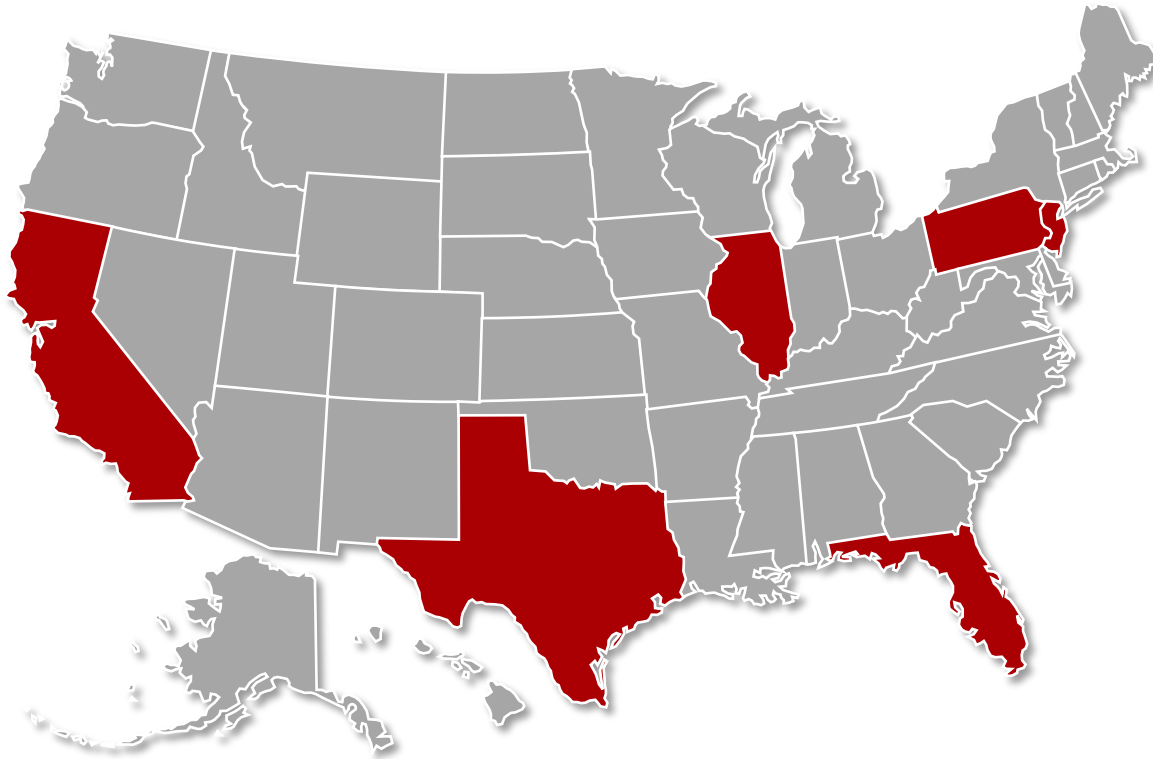


TOP 6 BRIDGE STATES BY VOLUME



STATE	AVG YIELD 2021
CALIFORNIA	9.63%
TEXAS	9.04%
FLORIDA	9.19%
ILLINOIS	9.29%
MASSACHUSETTS	8.85%
OREGON	11.40%

TOP 6 RENTAL STATES BY VOLUME



TOP 6 STATES

TEXAS

CALIFORNIA

PENNSYLVANIA

ILLINOIS

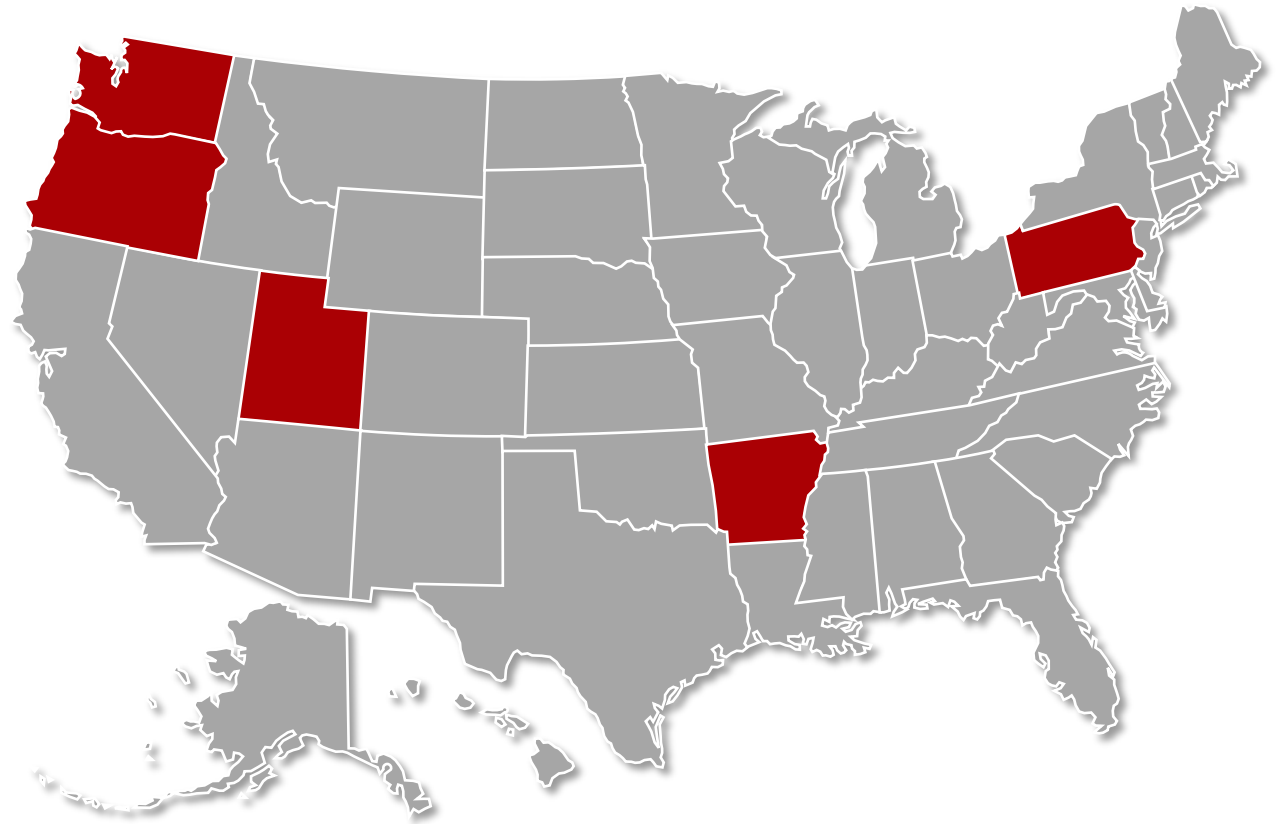
NEW JERSEY

FLORIDA

BEST BRIDGE YIELD

BY STATE 2021

12.19%	Utah
11.40%	Oregon
10.05%	Pennsylvania
10.05%	Alabama
9.94%	Washington



TRENDS TO WATCH

➔ Non-QM Lenders Moving to Bridge

1. Rental was a derivative of their consumer non-QM now moving to private space
2. Huge scale and capacity
3. Large learning curve



TRENDS TO WATCH



➔ Consolidation and Acquisitions of Originators/Aggregators

1. Lima One – MFA
2. Civic – Pacific Enterprise Bank
3. Genesis Capital – Sold by Goldman to New Residential REIT
4. Anchor Loans – Pretium
5. Private Equity Investments By Capital Providers (Minority and Full Acquisition)

Significant Increase in Acquisition of Operating Companies and Originators

*Expect More Big Announcements With Household Names

TRENDS TO WATCH

➔ Securitizations

1. Direct to Securitization Bridge & Rental: Toorak, ROC, Corevest, LendingHome
2. Rental Loan Securitizations: Constructive, LimaOne
3. Securitization Opportunities for Originators – Investment Banks have opened their doors to grant greater access

*Subject to Capital Markets Spook Out



TRENDS TO WATCH

- ➔ Expansion of Aggregator/Correspondent Relationships
1. Continued desire to whitelabel
 2. Expansion of different product offerings
(i.e. commercial/multifamily)



TRENDS TO WATCH

- ➔ Institutional Capital Sources Continuing to Drive Down Yield
 - 1. Institutional Home Buyers Pivoting to Private Lending
 - 2. Public REITs
 - 3. Life Insurance Company Desire to Purchase Equity Stakes

LOAN TRENDS TO WATCH

1. Push to use Ownership of the Company as Additional Collateral
2. Portfolio Rental Loans with Release Prices for Collateral
3. Term Multi-Family as a Large Product Offering

OPPORTUNITIES FOR BALANCE SHEET LENDERS

1. Credit Facilities, Warehouse Lines of Credit, and Repo Lines are readily available. General threshold requirements at \$5MM on balance sheet to start.
2. Utilization of Opportunities to the benefit of LPs and Operating Companies.
3. Gaps in the Market created by institutionalization of the industry (non-conforming transactions)

RISK TO WATCH FOR

1. Liquidity Risk – Institutional capital has bounced back from COVID crisis
– but ensuring there are redundancies will be key to long term success
2. Threats from Non-QM and Conventional Lending
3. Excessive Leverage Risk



QUESTIONS AND ANSWERS



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